



GUIDE

# PROCUREMENT TRENDS BUILDING SAFETY ACT

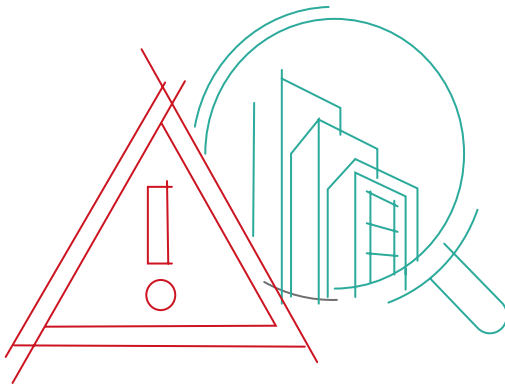
APRIL 2023

RLB

Rider  
Levett  
Bucknall

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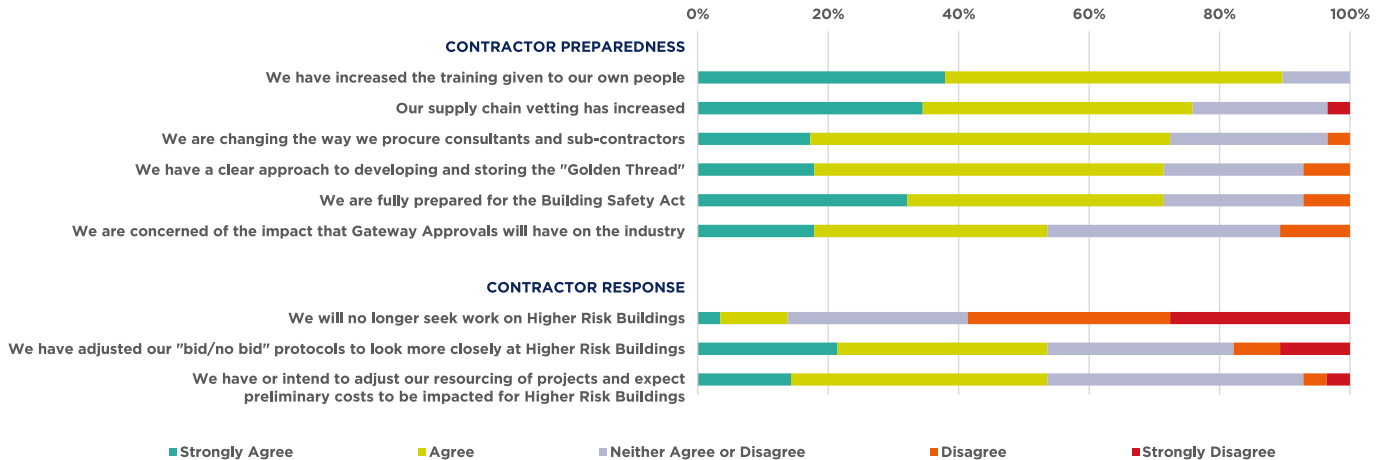
“ For many the Building Safety Act will mean the practical delivery of projects and management of occupied buildings will change. This spotlight on information management and the golden thread is critical for our industry. We have made great strides in addressing legacy concerns, but we must be prepared for this new legislation and show that we can continue to build better, safer homes. ”

**Paul Sambrook**  
**Partner - National Head of Residential**

# OUR PROCUREMENT TRENDS SURVEY

Our 2023 [Procurement Trends Survey](#) collects a representative sample of main contractors' sentiment on key procurement trends. The Building Safety Act (the Act) will have an impact on the way that Higher Risk Buildings are designed and procured and we look at some of these key impacts in this report. The residential sector has been buoyant over the last couple of years, with many regions seeing output growth. Through 2022 rapid tender price inflation has made viability more of a challenge and the current market conditions giving greater uncertainty to pipeline. Contractor's will be facing up to these challenges as they also consider the impact of the Building Safety Act.

Our procurement trends survey identified the following contractor response:



# THE BUILDING SAFETY ACT - KEY TERMINOLOGY

## Timing

The Act has a phased implementation:

Planning Gateway 1 is currently enacted

The implementation of Gateways 2 and 3 is expected October 2023

Particular attention will be required for procurement activity likely to span the implementation period



## Gateways

**Planning Gateway 1:** Fire Statement submitted with planning

**Gateway 2:** Regulator Approval required prior to start on site

**Gateway 3:** Regulator Approval required prior to Occupation

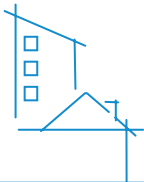
Note: In between Gateway 2 and Gateway 3 (during construction) there will be mandatory reporting, requiring sign-off by the Regulator, which could have significant impact on programme.



## Higher Risk Buildings

A Higher Risk Building (HRB) is in excess of 18m high or greater than seven (7) storeys and

Contains at least two (2) residential units and can include a care home or hospital.



## Duty Holders

**Accountable Person:** May include landlord, managing agent or developer


**Principal Accountable Person:** The single persons responsible for registering the Higher Risk Building

**Building Safety Regulator:** Will become Building Control authority for Higher Risk Buildings and maintain register of Approved Inspectors for HRB

**CDM Regulations:** CDM Regulations: duties and roles defined here remain, and will continue to remain, unchanged. New Building Safety duty holders are yet to be fully defined but anticipated in the secondary legislation.



# IMPACTS AND SOLUTIONS

	 SURVEY FINDINGS	 IMPACT	 SOLUTIONS
<b>Contractor competency</b>	71% of contractors report they are fully prepared for the Building Safety Act	There remains some contractors that are not fully prepared for the Building Safety Act	<b>Contractor competency assessment</b> Including competency and suitability to design, construct and document Higher Risk Buildings
<b>Pool of contractors</b>	14% of contractors surveyed will no longer seek work on Higher Risk Buildings  54% of contractors surveyed have adjusted their bid / no-bid protocols	Fewer contractors impacting capacity and competitiveness  Risk profile of project likely to impact market appeal	<b>Dealing with the Building Safety Act in Employer's Requirements</b> Clearly defined roles and responsibilities for designers in novated scopes of service  Clear allocation of risk for secondary legislation, including time and cost implications  Handover strategy and programme recognising the involvement of the Building Safety Regulator  A clear handover process including engagement with the Duty Holders
<b>Cost of compliance</b>	54% of contractors expect there to be an impact on their resourcing of projects as a result of the Building Safety Act	A potential increase in the cost of preliminaries for projects  We consider the impact likely to be greater for smaller contractors	<b>Effective cost planning</b> Procurement strategy cognisant of competency of contractor and basis of pricing of preliminaries
<b>Gateways</b>	Over 50% of contractors are concerned of the impact that Gateway Approvals will have on the industry	<b>Gateway 1</b> Planning	Consider if early contractor input is required prior to submission of the Fire Statement with planning
		<b>Gateway 2</b> Regulator Approval required to start on site	Work with Regulator to identify how a phased approach to approval may work to de-risk contractor approvals prior to start on site. The impact of Change Management during the construction period will be key.
		<b>Gateway 3</b> Regulator Approval prior to Occupation	Clearly identify how contractor obligations for the provision (and approval) of prescribed documents are dealt with and how these factor into the programme

# KEY DATES FOR ACTION



# ABOUT RIDER LEVETT BUCKNALL

**100%**

INDEPENDENTLY OWNED  
AND MANAGED

**1000**

UK PEOPLE

**12**

UK OFFICES

**4200**

EMPLOYEES WORLDWIDE

**140**

GLOBAL OFFICES



## GET IN TOUCH

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